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United STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

EAD

Mailed: May 14, 2003

Cancellation No. 92040460

Nougat London Ltd.

v.

Carole Garber

Before Seeherman, Quinn, and Drost, Administrative
Trademark Judges.

By the Board:

Nougat London Ltd. has petitioned to cancel
Registration No. 2,448,393 for the mark NOUGAT for "men's
clothing, namely, suits, sweaters, ties, underwear,
jackets, coats and belts; women's clothing, namely,
dresses, skirts, jackets, pants, t-shirts, sweatshirts,
coats and sweaters; children's clothing, namely, dresses,
sweaters, coats, jackets and pajamas". The registration
issued May 1, 2001 from an application filed by Carole
Garber, an individual and citizen of Canada, on August 2,
1999 based on applicant's assertion of a *bona fide*

intention to use the mark in commerce. A Statement of Use was filed on November 29, 2000, claiming a date of first use in commerce between the United States and Canada of August 13, 2000.

In its amended petition to cancel¹, petitioner asserts that it is a United Kingdom clothing manufacturer which has used the mark NOUGAT for clothing since long prior to the filing date of the application which matured into Registration No. 2,448,393; that on May 2, 2002, petitioner filed application Serial No. 76/403784 for registration of the mark NOUGAT for, among other things, clothing, based on its assertion of a *bona fide* intention to use the mark in commerce; that at all relevant times Carole Garber was petitioner's Canadian distributor of petitioner's clothing bearing petitioner's NOUGAT mark; that petitioner did not consent to Garber's U.S. registration of petitioner's NOUGAT mark; that Garber was not the owner of the NOUGAT mark as alleged in the application which matured into Registration No. 2,448,393; that Garber has not used the mark as alleged in her Statement of Use filed November 29, 2000; that Garber knowingly falsely alleged her ownership of the

¹ On December 4, 2002, the Board granted petitioner's motion to file an amended petition to cancel which added petitioner's

Cancellation No. 40,460

NOUGAT mark in the application which matured into
Registration No. 2,448,393 with intent to deceive the U.
S. Patent and Trademark Office in order to obtain the
registration; that

claim of ownership of pending application Serial No.76/403784,
filed May 2, 2002.

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Garber knowingly falsely alleged use in commerce of the NOUGAT mark in the application which matured into Registration No. 2,448,393 with intent to deceive the U. S. Patent and Trademark Office in order to obtain the registration; that Registration No. 2,448,393 is void *ab initio* because Garber was not the owner of the mark at the time the application which matured into that registration was filed; that Registration No. 2,448,393 is void *ab initio* because Garber has not used the mark at any relevant time; that Registration No. 2,448,393 was fraudulently obtained by virtue of Garber's knowingly false allegations of ownership of the NOUGAT mark; that Registration No. 2,448,393 was fraudulently obtained by virtue of Garber's knowingly false allegations of use of the NOUGAT mark; and that continued registration will damage petitioner because petitioner cannot use its NOUGAT mark without concern over litigation and because the registration is likely to result in a refusal to register petitioner's pending application.

On December 10, 2002, respondent filed her answer denying the salient allegations of the amended petition to cancel.

This case now comes up on petitioner's motion for summary judgment on the ground that respondent committed

fraud in the filing of the Statement of Use, and on the ground that respondent has not used the mark in commerce. To succeed on such a motion, the party moving for summary judgment must show the absence of any genuine issue of material fact, and that it is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c); and *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548 (1986). The evidence must be viewed in a light favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. See *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

There is no genuine issue that petitioner has standing. Petitioner has made of record a copy of its pleaded application (Exhibit F to petitioner's motion for summary judgment). Thus, petitioner has shown that it is not a mere intermeddler. See *Richie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

Respondent asserts that petitioner lacks standing to bring this action, arguing in its Opposition to Petitioner's Motion for Summary Judgment, page 7:

The goods with which petitioner has stated under oath it has a bona fide intention of using the mark NOUGAT encompasses not only goods with which there is a likelihood of confusion with the goods in Reg. No. 2,448,393 but goods that have nothing whatsoever to do with clothing ... It is apparent that this ITU application was filed for the express purpose of attempting to obtain standing. Because it is inherently unlikely that the declaration contained in the application is true, or that applicant does have such a bona fide intention, it is submitted that it would constitute an imposition on this Board should the application be considered to confer standing on petitioner.

Respondent contends that petitioner's application to register its NOUGAT mark cannot confer standing because petitioner cannot have a bona fide intention of using the mark NOUGAT with both the clothing and non-clothing goods listed in petitioner's application. Respondent has provided no support for its assertion, and therefore we do not consider it to have raised a genuine issue of material fact.

Turning to the pleaded ground of fraud, petitioner asserts that no genuine issue of material fact remains

for trial and that petitioner is entitled to judgment as a matter of law. Specifically, petitioner asserts that respondent's discovery responses unequivocally demonstrate that at the time respondent filed her Statement of Use respondent's use of the mark was limited to a single sale of women's skirts; and that respondent's Statement of Use was therefore fraudulent insofar as it alleged use of the mark in commerce on a range of clothing items with which respondent had not used its mark in commerce. Petitioner's motion is supported by the declaration of Stephen Toff, Managing Director of petitioner, and accompanying exhibits.

In opposing entry of summary judgment for petitioner on the ground of fraud, respondent does not dispute that at the time she filed her November 29, 2000 Statement of Use her use of the mark in commerce was limited to a single August 13, 2000 sale of women's skirts.² Instead, respondent alleges that the Statement of Use was not fraudulent because of the specific wording used in the statement. Specifically, respondent asserts that she did

² Respondent states (Opposition to Petitioner's Motion for Summary Judgment, page 5) that "Obviously, there were three separate and distinct sales made by [respondent]: (1) the sale on which the Statement of Use is based, made on August 13, 2000, (2) the sale that preceded the invoice dated September 18, 2002, and (3) the sale that preceded the invoice dated October 11, 2003."

not say that the mark was being used on all of the goods identified in the Notice of Allowance, but that her statement said only that "Applicant is using the mark in commerce between the United States and Canada in connection with goods identified in the Notice of Allowance". Respondent further alleges (Opposition to Petitioner's Motion for Summary Judgment, page 9):

Of course applicant recognized that she was not using the mark with the goods set forth in the Notice of Allowance. So, she did not say in the SOU that she was using the mark in connection with the goods, just "goods," i.e. one or more of the goods.

Respondent's opposition is supported by her declaration, and accompanying exhibits.

In order to prevail on a claim of fraud in procuring a trademark registration, petitioner must plead and prove that respondent knowingly made "false, material representations of fact in connection with [its] application." *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). To constitute fraud on the U.S. Patent and Trademark Office, a statement must be (1) false, (2) made knowingly, and (3) a material representation. The charge of fraud upon the Office must be established by clear and convincing

evidence. See *Giant Food, Inc. v. Standard Terry Mills, Inc.*, 229 USPQ 955 (TTAB 1986).

There is no genuine issue that at the time respondent filed her Statement of Use she had not made use of her mark on all of the goods listed in the Notice of Allowance, and that she knew she had not made such use. In fact, there is no genuine issue that at the time respondent filed her Statement of Use the only goods on which she had used her mark in commerce were women's skirts.

Nor is there a genuine issue that the verified statements made in a Statement of Use are material to the issuance of a registration. An application based on intent-to-use will not issue as a registration until a Statement of Use has been filed. Moreover, Trademark Rule 2.88(c) provides that the Statement of Use may be filed only when the applicant has made use of the mark in commerce on or in connection with all of the goods or services, as specified in the Notice of Allowance, for which applicant will seek registration in that application, unless the Statement of Use is accompanied by a request to divide out from the application the goods or services to which the Statement of Use pertains.

Thus, it is clear that an intent-to-use application will be approved for registration for all the goods listed in the Notice of Allowance only if the applicant has used the mark in commerce in connection with all of such goods and services. Clearly, statements regarding the use of the mark on goods are material to issuance of the registration. See *First International Services Corp. v. Chuckles Inc.*, 5 USPQ2d 1628 (TTAB 1988)(fraud found in applicant's filing of application with verified statement that the mark was in use on a range of personal care products when applicant knew it was in use only on shampoo and hair setting lotion); see also *Torres v. Cantine Torresella S.r.l.*, supra, at 49 (fraud found in registrant's submission of renewal application stating the mark was in use on wine, vermouth, and champagne when registrant knew it was in use only on wine).

The gist of respondent's opposition to the motion for summary judgment is respondent's assertion that the statements in her verified Statement of Use were not false. As noted above, respondent claims that her Statement of Use was not false because she did not assert that she was using her mark on the goods listed in the Notice of Allowance, but only on goods listed in the Notice of Allowance.

Trademark Act Section 1(d)(1) states (*emphasis added*):

Within six months after the date on which the Notice of Allowance with respect to a mark is issued under section 13(b)(2) to an applicant under subsection (b) of this section, the applicant shall file in the Patent and Trademark Office, together with such number of specimens or facsimiles of the mark as used in commerce as may be required by the Director and payment of the prescribed fee, *a verified statement that the mark is in use in commerce and specifying the date of the applicant's first use of the mark in commerce, and those goods or services specified in the Notice of Allowance on or in connection with which the mark is used in commerce.*

15 U.S.C. Section 1(d)(1). Section 1109.13 of the Trademark Manual of Examining Procedure (3rd ed. 2002)("TMEP") provides that "The Statement of Use must either list or incorporate by reference the goods/services specified in the Notice of Allowance on or in connection with which the mark is in use in commerce ... To incorporate the goods/services by reference, the applicant may state that the mark is in use on 'those goods/services identified in the Notice of Allowance' or 'those goods/services identified in the Notice of Allowance except...[followed by an identification of the goods/services to be deleted].'"

It is clear from respondent's statements that she deliberately omitted the word "the" in order to mislead the Office into believing that she had used her mark in commerce on all of the goods listed on the Notice of Allowance when in fact she had not. Suffice it to say, the requirements of the Trademark Act and the Trademark Rules do not permit such semantic games. The provisions of the Trademark Act, the Rules, and the Trademark Manual of Examining Procedure are very clear: the intent-to-use applicant must make use of the mark on all of the goods listed in the Notice of Allowance for which applicant seeks registration, and if an applicant has not used the mark on all of the listed goods, it may either request to divide out those goods from the application, or may state that the mark has been used on all the goods except, followed by a list of goods for which use has not been made, and which must be deleted from the application.

Applicant did not follow either of these procedures, and instead attempted to obtain something to which she was not entitled by taking the specious position that the omission of the word "the" meant that the mark was not in use on all the goods. Respondent cannot, by this sophistry, make a false statement true. We find it particularly ironic, given her own argument, that she

would take umbrage at petitioner's reference to her statement:

Based on its deliberate misquote, it is as though petitioner is saying that Ms. Garber declared that she was using the mark in connection with all of the goods listed in the Notice of Allowance and, sure enough, petitioner stoops to that allegation...

Opposition to Petitioner's Motion for Summary Judgment, page 9.

Although in general fraud is extremely difficult to establish, and findings of fraud on summary judgment are rare indeed, in this case it is hard to imagine more clear and convincing evidence of fraud than the statements made by respondent herself in her opposition to the summary judgment motion, statements which are fully supported by the record. In her eagerness to avoid the allegation that her Statement of Use falsely claimed use with all goods listed in the Notice of Allowance, respondent readily admits that she willfully omitted the article "the" in her verified Statement of Use to obtain the benefits of a use-based trademark registration covering a wide range of clothing items when her actual use was limited to a single item of clothing.

In summary, we find that there is no genuine issue that respondent's Statement of Use falsely stated the

goods on which respondent had used her mark in commerce; that she knew when she made this statement that it was false, and that this statement was material, in that the Office would not have issued the registration for all the goods listed in the Notice of Allowance had it known that respondent had used her mark only on women's skirts. Thus we find as a matter of law that Registration No. 2,448,393 was fraudulently procured.

Respondent has stated in her Opposition to Petitioner's Motion for Summary Judgment, pages 9-10, that "In all candor, it would not be the most tragic remedy if the registration were at this time restricted to women's wearing apparel, and Ms. Garber be accorded her intent to expand her use of the mark to men's and children's wearing apparel in futuro." Preliminarily, we note that respondent continues to seek a registration to which she is not entitled. As has been discussed above, while an intent-to-use application may specify goods and/or services with which an applicant intends to use its mark in commerce, any registration which issues from that application must specify only those goods and/or services with which applicant actually has used the mark in commerce. Even with the proposed restriction to the registration, it would still include "women's clothing,

namely, dresses, skirts, jackets, pants, t-shirts, sweatshirts, coats and sweaters". However, as previously noted, respondent has used her mark in commerce only on women's skirts.

Even if respondent sought to restrict her registration to women's skirts, this would not cure the fraud upon the Office or avoid cancellation of the registration on such ground. *Medinol Ltd. v. Neuro Vasx, Inc.*, _ USPQ2d _, Canc. No. 40,535 (TTAB May 13, 2003). See also *General Car and Truck Leasing Systems, Inc. v. General Rent-A-Car Inc.*, 17 USPQ2d 1398, 1401 (S.D. Fla. 1990), *aff'g General Rent-A-Car Inc. v. General Leaseways, Inc.*, Canc. No. 14,870 (TTAB May 2, 1998). Thus, in light of the finding of fraud, restriction of the registration is not an appropriate remedy.

Accordingly, petitioner's motion for summary judgment on the ground of fraud in the filing of the Statement of Use is granted, and judgment is entered against respondent. Registration No. 2,448,393 will be cancelled in due course. In view of our decision herein on the fraud claim, we need not address the second ground of petitioner's motion which asserts that respondent has failed to use her mark in commerce.